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DEPARTMENT OF STATE

BRIEFING MEMORANDUM

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October 4, 1976

NODIS

TO: The Secretary
THROUGH: P - Mr. Habib
FROM: EA - Arthur W. Hummel, Jr.
S/P - Winston Lord

Your Meeting with PRC Foreign Minister Chiao

This will be your first meeting with Chiao since the President's Peking visit last year. The session could be a difficult one: each side believes the other has said and done things over the past ten months which are unhelpful to the relationship; there are uncertainties about the future national leadership in both countries; we are still unable to engage in detailed discussions about the timing and modalities of normalization. This environment requires that we approach the meeting with special care.

This memorandum describes the setting in which your meeting will take place, including our differing perspectives arising from events since last December; sets out objectives for the meeting; and ends with suggested talking points (Tab 1).

By the time of your meeting, two new elements may have intruded, requiring some change in your handling of the conversation. Chiao is scheduled to give his General Debate statement October 5, and the presidential candidates will debate foreign policy on October 6. We will send you an additional memo before the dinner reflecting these events and any other late developments.

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SETTING

PRC Domestic Scene: Chiao will be entering the session against a background of a traumatic year internally: the death of Chou En-lai; the fall of Teng Hsiao-ping and the controversial naming of Hua Kuo-feng; the Tien An Men riots; the earthquake; the death of Mao; and the continuing tensions among the leadership, with possible implications for the position of Chiao himself.

With no institutionalized means for succession to Mao, the uneasy balance among the various contending factions of the Politburo is held together primarily by the absence of any faction with overwhelming power. An even more open power struggle than that which toppled Teng could develop, but a period of at least surface unity seems more likely for the near future, with Hua Kuo-feng continuing to play a front-stage role. Whatever the form, most decisions will be made by a leadership collective. We doubt that such a group will undertake any significant policy changes, either in the foreign or domestic areas. (See Tab 2 for an analysis.)

Nevertheless, Chiao will come to this meeting with a new concern: he will not be reporting on the meeting, as in the past, to Mao/Chou, but rather to a factionalized leadership, some of whom may place less importance on the PRC relationship with the United States or may seek opportunities to exploit that issue for domestic infighting purposes. Chiao will probably be under instructions to take at least as unyielding a line on normalization as Huang Chen pointedly volunteered during your August 18 meeting (Tab 3, page 8).

The Chinese Perspective: The continuity of Chinese policy toward both the United States and the Soviet Union has been confirmed by various leadership statements since the death of Mao.

Nevertheless, public discussion in the US and other signs have stimulated Peking impatience, if not anxiety, about the relationship with Washington. Despite the President's reaffirmation of our normalization policy in his farewell Peking toast and our reiteration of this policy at various levels since then, the Chinese have interpreted some developments as negative signals, perhaps beginning with the delay in the Gates appointment. (Huang Chen was pointedly not returned to Washington until Gates' appointment was announced.)

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Your Chinese Audience

Although your interlocutor will again be Chiao, your Chinese audience will not be Mao and Chou but rather a somewhat amorphous leadership group with no one having the authority of Mao/Chou to impose on others an interpretation of your remarks best designed to fit their broad-gauged view of the relationship. While it is unlikely that the new leadership group will significantly alter basic PRC policy towards the US and the Soviets, there are new and unpredictable forces now at work. There is clandestine reporting which suggests that some of the leaders wonder if the PRC should not have a more balanced relationship with the US and USSR, and that these persons or others will look on what we do about normalization after the elections as a test of the importance the US places on relations with the PRC. Moreover, regardless of their policy views, there may be some who will wish to exploit the issue of US/PRC relations for power struggle reasons. All of this suggests that you will have to handle with particular care the various points which you will want to raise.

International Matters

In discussing international matters, particularly those related to our resistance to Soviet expansionism, you should avoid giving the Chinese the impression that you are responding defensively to Chinese criticism of our policies.

It would be healthy to point out that the Chinese talk a good game but don't seem to be doing very much concretely to counter Moscow. And while they enjoy needling us, it is the US that is carrying the ball--greater defense budget, arms sales to friendly countries, active diplomacy in the Middle East and Africa. We suggest you attempt to draw Chiao out on Chinese policies and actions in more specific terms than they are accustomed to using. We also suggest that we not overdo the Administration's problems with Congress. What interests the Chinese is the policies that we carry out, and comments about problems with Congress can tend to reinforce rather than allay Chinese concerns. In fact, you may wish to point out that an elected President and a new Congress should ease the Congressional problems somewhat.

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Clearly, developments in the United States on the Taiwan question have been the most troubling to Peking. Goldwater's March 5 Senate speech supported the ROC as the "sole legal representative" of China; more importantly, he has publicly stated that you have assured him that we will not break diplomatic relations with the ROC. Various articles and commentaries, including the liberal press such as the Times and the Post, have warned against US abandonment of Taiwan, called for assurances from Peking regarding non-use of force against Taiwan, or questioned the benefits the United States would derive from early normalization. The President's July 12 statement on the Canadian Olympics controversy may have reinforced Chinese suspicion that the USG stimulated or was at least exploiting the public discussion. At about the same time, the Chinese learned of former Foreign Minister Miyazawa's statement to Senator Mansfield: that the United States should move slowly on Taiwan; according to one clandestine report, the Chinese thought this might be a sign of US/Japan "collusion" regarding the Taiwan issue.

Then came Senator Scott's visit to Peking, and his persistence in pursuing the Taiwan question in the meetings with Chiao and Chang. Given his role as Senate Minority Leader, and the fact that he had a Presidential letter which made it sound as if he was given a mission by the President, the Chinese would have at least wondered if he was probing on behalf of the United States Government.

Although your Seattle speech of July 22 reaffirmed our commitment to normalization, your reminder in Portland the same day that we still have a defense treaty with Taiwan was undoubtedly noted in Peking. Leslie Gelb's August 3 piece on the Administration's arms sales to Taiwan added another piece to the jigsaw which the Chinese were mentally assembling.

More recently, the PRC undoubtedly interpreted the Republican platform statement on China as retrogression from the Shanghai Communique (which it did not mention). Although you in effect disavowed the statement during your August 18 meeting with Huang Chen, the Chinese at a minimum have interpreted it as evidence of pressures in the United States which could make it difficult for the United States to agree to terms for normalization which would also be acceptable to Peking.

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Nor have the Chinese been able to take Jimmy Carter's positions. His published comments on China policy to date will certainly have raised Chinese apprehensions about the China policy he would adopt. While saying normalization should be an ultimate goal, he has said he would not move rapidly, and has talked about making the PRC "agree to honor the integrity and independence and not interfere with the people of Taiwan." Taken literally, his statements suggest a two-China policy. Furthermore, his criticisms of US arms sales to Africa and the Persian Gulf, his intention to reduce the defense budget and (the Chinese official position notwithstanding) to withdraw troops from Korea--these are disturbing to the Chinese.

In short, even if the PRC accepts our statements that there is no change in the Administration's policy regarding normalization, they see what they interpret as increasing signs of a trend in American public opinion that could make the implementation of that policy more difficult, especially if Carter is elected.

Premier Hua, in his June 10 meeting with Ambassador Gates, reiterated the Chinese position that global issues were of major concern and that Taiwan is minor. This order of priorities was also stated by Chiao to Schlesinger. We continue to believe that this represents the dominant PRC perception of the relationship, despite PRC concerns about official and unofficial statements on China policy in recent months.

With respect to our international role, the Chinese view of the United States may be less pessimistic, though they continue to make cracks about our lack of realism toward Moscow. The Chinese still allege that there is a Munich-type mentality in the West towards the Soviet Union. But they seem to perceive a trend in the United States and Western Europe towards taking a tougher stance towards the Soviets. They have noted approvingly the increase in our defense budget for 1977. They still needle us about Angola (ignoring their own failures there), but while not going so far as to endorse your recent efforts in southern Africa, they have publicly labeled them as an effort to curb Soviet influence. They have also published favorable comments on our military sales to Iran.

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In short, while they obviously want us to make a fundamental change in our Soviet policy, it may be they have somewhat lessened concern that, within the policy framework we have established, we do not have the will and capability to resist Soviet expansionism. At the same time, they have incentives to keep pressing us on this score, and must have continuing doubts about the Congressional attitude and role, whatever the Executive branch's intentions. In any event, the Chinese still emphasize the common interests we have in resisting the Soviets; for example, Hua told Schlesinger that there should be a "pooling of our efforts together against the polar bear." This is much more pointed than anything we have heard recently from the Chinese (though it was not said to us officially or directly). There has been no diminution of PRC criticism of the USSR, including during the period since Mao's death. Indeed, they curtly rejected the Soviet note of condolence on Mao. (Of course, the stridency of anti-Soviet statements is subject to change over the coming months.)

The US Perspective

If the Chinese are perturbed by developments in the United States regarding normalization, we have our own valid grievances. Their invitation to former President Nixon so soon after President Ford's visit was (while apparently very much a personal Mao project) a dismaying indication of the degree to which the Chinese misjudge American public attitudes. The invitation in the spring to Schlesinger--which he held off accepting--was another indication of Chinese willingness to ignore Administration sensitivities during an election year. So was the special treatment given to Schlesinger during the visit, including the pointed contrast with the treatment of our Liaison Office. (Note: The Chinese kept reminding Schlesinger of their 1974 invitation to him and may wonder why he never received it.) However, as far as we know, the Chinese, on the whole, did act circumspectly in their talks with him, staying away from bilateral matters, talking with him as a competent but unofficial strategy expert, avoiding direct criticism of the Administration (reports on his meetings with Chiao, Hua and Yoh Chien-ying are at Tab 4). The PRC-controlled Hong Kong paper's August 7 article, headed "Kissinger's trouble" and calling you a "celebrated defeatist," was another gratuitous affront, part of a pattern of public and semi-public comment.

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Vice Premier Chang Chun-chiao's intemperate statement to Senator Scott about the military liberation of Taiwan may have been prompted in part by Scott's persistence in discussing the subject and in part by a felt need to take a firm line to counter what the Chinese perceived as an unfortunate trend of thinking in the United States. However, his statement, together with an obvious intention to disseminate that line more generally (PRCLO's discussion with the journalists and Vice Foreign Minister Wang's echoing statements to the Congressional Staff Delegation), again illustrate a PRC unwillingness to cooperate with us in handling the Taiwan issue in a way that will facilitate further movement on normalization.

Similar lack of concern about their actions' fallout on normalization has been manifested on two more minor matters: their refusal to let social scientists be included in scientific delegations sponsored by the Committee on Scholarly Communication; their pressures against American companies who have joined the US/ROC Economic Council. In both cases, PRC actions risk alienating persons in segments of US society whose support for our China policy is important.

On international matters generally, the PRC has continued--not unexpectedly--to criticize some of our actions and motives along standard lines (while as in the past directing the brunt of their attack at the Soviets). More specifically, we have reason to be unhappy with Chinese support for the inscription of the Puerto Rico item in the Committee of 24, in contrast to their restraint last year. Although we have no evidence, the PRC may have played a role in the North Korean decision to withdraw its resolution from the UNGA agenda, but we have seen no sign that the PRC has been willing to weigh in with Pyongyang in favor of our proposals to resume North-South talks or convene a four-party conference. On the other hand, the PRC's rapid response to Egypt's requests for assistance following the break with the Soviets was useful, and the agreement with India to exchange ambassadors, while unlikely to lead soon to any significant further change in the relationship, has the long range potential for helping to loosen India's ties to the USSR.

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You should also put particular stress on Africa. You could mention our annoyance about the position that the PRC took on the Puerto Rico question and express the hope that the North Korean decision to withdraw its UNGA resolution will pave the way for some practical steps that would reduce tensions in Korea.

Taiwan and Normalization. Chiao may well come to this meeting prepared to take a hard line, although it is less evident now than it was last summer. He is very likely to reiterate that we "owe a debt." It is possible that he will refer in some way to the need to "liberate Taiwan by military means," and invoke the image, used by Chang with Senator Scott, of Taiwan as a "noose" around our neck.

Without being defensive, you should stress the firmness and depth of the US commitment to normalization and to the continuation of the policy laid down by you and former President Nixon, as expressed in the Shanghai Communique and in subsequent discussions with Chinese leaders, including President Ford's visit. At the same time, we believe it would be useful to mention to Chiao the problems created here by the hard line taken with Scott and the Congressional staff delegation, and in PRCIO's conversation with some American journalists. Your tone should be one that reflects concern, not pique, about the impact on our long-term mutual interests. While acknowledging that some developments in the US might justify some Chinese anxiety and skepticism, you could point out that concern about Taiwan's future is deeply held in the US across the political spectrum. Whatever the phrasing of your remarks, the point you should try to get across is that this is a fact of present life, with deep historical roots, and that it could create obstacles to normalization unless it is handled with sensitivity by both sides. You may want to be more specific than you were in your August 18 comment to Huang Chen regarding the Republican platform, perhaps by saying inter alia that the President has asked you to reiterate that our course is that which he discussed in Peking in December.

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Schlesinger. In deciding how you wish to comment about the invitation to Schlesinger and the "red carpet" treatment he received in China, one point you should keep in mind is that Chiao may respond that Mao himself was responsible for the invitation to Schlesinger... (The Chinese made this point to Schlesinger during his visit.) The Chinese leaders on the whole handled their discussions with Schlesinger (as opposed to the protocol aspects) circumspectly, without attempting directly to exploit the reported differences between his views and those of the Administration. Also, we think you should avoid giving the Chinese the satisfaction of seeing that they have succeeded in nettling you personally. In any event, we suggest that you mention the matter in private talks with Chiao rather than in front of the whole group.

Other Points in the Bilateral Relationship. You could refer to the President's statement in Peking and indicate that we are in the process of implementing the further reduction of US military personnel in Taiwan. (You will recall that issuance of the NSDM ordering the drawdown was delayed several months. DOD is moving ahead as rapidly as possible, but because of the time needed to install the Ginseng remoting facility we cannot guarantee against slippage of one or two months.)

Depending on the state of play, you could briefly mention our decision to approve the sale of the CDC computer.

You could also note that, while the details are not yet firm, you understand that there is an agreement in principle that the Congressional delegation led by Senator Curtis will visit the PRC in November, and comment that such visits, if handled correctly, could be useful in maintaining Congressional support for our China policy.

We recommend that you not raise the recent problems which have arisen in the exchange program and the difficulty the PRC is creating for some companies that have joined the US-ROC Economic Council.

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